



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 70

[EPA-R03-OAR-2015-0119; FRL-9924-56-Region 3]

Clean Air Act Title V Operating Permit Program Revision; Pennsylvania

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA is proposing to approve a revision to the Pennsylvania Title V Operating Permit Program submitted by the Commonwealth of Pennsylvania on February 11, 2014. The Pennsylvania Operating Permit Program is implemented through its Title V Operating Permits Rule, codified at Subchapter G of Chapter 127 of Title 25 of the Pennsylvania Code. The February 11, 2014 revision amends the title V fee program that funds the Pennsylvania Title V Operating Permit Program. These changes resulted in substantial revisions to Pennsylvania's Title V Operating Permit Program. EPA is proposing to approve these revisions. The intended effect of this action is to improve the Commonwealth's title V operating permit program.

DATES: Written comments must be received on or before **[insert date 30 days from date of publication in the Federal Register]**.

ADDRESSES: Submit your comments, identified by Docket ID Number **EPA-R03-OAR-2015-0119** by one of the following methods:

- A. www.regulations.gov. Follow the on-line instructions for submitting comments.
- B. E-mail: Campbell.Dave@epa.gov

C. Mail: EPA-R03-OAR-2015-0119, David Campbell, Associate Director, Office of Permits and Air Toxics, Mailcode 3AP10, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103.

D. Hand Delivery: At the previously-listed EPA Region III address. Such deliveries are only accepted during the Docket's normal hours of operation, and special arrangements should be made for deliveries of boxed information.

Instructions: Direct your comments to Docket ID No. **EPA-R03-OAR-2015-0119**. EPA's policy is that all comments received will be included in the public docket without change, and may be made available online at www.regulations.gov, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI, or otherwise protected, through www.regulations.gov or e-mail. The www.regulations.gov website is an "anonymous access" system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through www.regulations.gov, your e-mail address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special

characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the electronic docket are listed in the www.regulations.gov index.

Although listed in the index, some information is not publicly available, i.e., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically in www.regulations.gov or in hard copy during normal business hours at the Air Protection Division, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103. Copies of the State submittal are available at the Pennsylvania Department of Environmental Protection, Bureau of Air Quality Control, P.O. Box 8468, 400 Market Street, Harrisburg, Pennsylvania 17105.

FOR FURTHER INFORMATION CONTACT: Gerallyn Duke, (215) 814-2084, or by e-mail at Duke.Gerallyn@epa.gov.

SUPPLEMENTARY INFORMATION:

I. Background

EPA granted full approval of the Pennsylvania Title V Operating Permits Program on July 30, 1996. *See* 61 FR 39597. Under 40 CFR 70.9(a) and (b), an approved state title V operating permits program must require that the owners or operators of part 70 sources pay annual fees, or the equivalent over some other period, that are sufficient to cover the permit program costs and ensure that any fee required under 40 CFR 70.9 is used solely for permit program costs. The fee schedule must result in the collection and retention of revenues sufficient to cover the permit

program costs.

Pennsylvania's initial title V permit emission fee, established in 1994 at 25 PA Code 127.705, was \$37 per ton of regulated pollutant per title V facility. Pennsylvania's fee has been increased each year since 1994 by the percentage, if any, by which the Consumer Price Index (CPI) for the most recent calendar year exceeded the CPI for the previous calendar year. Under that regulatory framework, the annual emission fee for emissions occurring in calendar year 2012 was \$57.50 per ton of regulated pollutant for emissions of up to 4,000 tons of each regulated pollutant. The fee structure has not been revised since 1994.

Pennsylvania has determined that title V annual emission fee revenues collected are no longer sufficient to cover title V program costs. Installation of air pollution control technology over the past two decades on major stationary sources, the retirement or curtailment of operations by major sources, and the conversion at many major facilities from burning coal or oil to burning natural gas have resulted in decreased emission of regulated pollutants that are subject to annual emission fees, and revenues collected have been decreasing as a result. The decline in interest rates paid on savings account balances used by the Commonwealth to manage permit fees collected also has affected the funds available to Pennsylvania, as the investments earn less interest in the current economy compared to the early years of the title V program. Pursuant to 40 CFR 70.4(i)(2), when EPA receives a title V program revision, EPA will publish its proposed approval or disapproval in the Federal Register and provide opportunity for comment.

II. Summary of Program Revision

In the February 11, 2014 program revision, Pennsylvania has included revised 25 PA Code

127.705 which Pennsylvania has amended to increase Pennsylvania's annual emission fees. Fees are increased to \$85 per ton of emissions for emissions from title V sources of up to 4,000 tons of each regulated pollutant. The provisions for increasing the annual emissions fees in response to increases in the CPI at 25 PA Code 127.705(d) remain unchanged. The revised fees are designed to cover all reasonable costs required to develop and administer the title V program as required by 40 CFR 70.9(a) and (b). These costs include those for activities such as reviewing and processing plan approvals and operating permits, conducting inspections, responding to complaints and pursuing enforcement actions, emissions and ambient air monitoring, preparing applicable regulations and guidance, modeling, analyses, demonstrations, emission inventories, and tracking emissions.

Without this fee increase, Pennsylvania anticipates funds will not be sufficient to sustain the title V permitting program beginning fiscal years 2015-2016. If funds become insufficient to sustain the title V permitting program in Pennsylvania, EPA may determine that Pennsylvania has not taken "significant action to assure adequate administration and enforcement of the Program" and take subsequent required action under 40 CFR 70.10(b) and(c) as well as impose mandatory and discretionary sanctions under the CAA.

III. EPA Analysis of Program Revision

The February 11, 2014 Title V Operating Permit Program revision consists of amendments to Pennsylvania's rules which establish annual emission fees under title V of the CAA. This rulemaking proposes approval of the increase to the annual title V fees paid by the owner or operator of a title V facility from \$57.50 per ton of regulated air pollutant to \$85 per ton because

the revision meets requirements in 40 CFR 70.9 for sufficient title V fees to cover permit program costs. The emission fees apply to emissions up to 4,000 tons of any regulated pollutant. The proposed revision does not establish a fee structure for carbon dioxide or other greenhouse gases (GHGs). EPA's rules do not mandate revisions to state title V programs to account for GHG emissions.

IV. Proposed Action

Pursuant to 40 CFR 70.4(i)(2), EPA is proposing to approve the Pennsylvania Title V Operating Program revision submitted on February 11, 2014 to increase the annual title V fees paid by the owners or operators of all title V facilities throughout Pennsylvania, including Allegheny and Philadelphia Counties, from \$57.50 per ton of regulated air pollutant to \$85 per ton. The revision meets requirements in 40 CFR 70.9. EPA is soliciting public comments on the issues discussed in this document. These comments will be considered before taking final action.

V. Statutory and Executive Order Reviews

This proposed action merely proposes to approve state law as meeting Federal requirements and imposes no additional requirements beyond those imposed by state law. For that reason, this proposed action:

- is not a “significant regulatory action” subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
- does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 et seq.);
- is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.);

- does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and
- does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, this proposed rule related to Pennsylvania title V fees does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), because the program is not approved to apply in Indian country located in the state, and EPA notes that it will not impose substantial direct costs on tribal governments or preempt tribal law.

List of Subjects in 40 CFR Part 70

Environmental protection, Administrative practice and procedure, Air pollution control, Carbon monoxide, Intergovernmental relations, Lead, Nitrogen dioxide, Ozone, Particulate matter, Reporting and recordkeeping requirements, Sulfur oxides, Volatile organic compounds.

Authority: 42 U.S.C. 7401 et seq.

Dated: March 6, 2015.

William C. Early, Acting,
Regional Administrator,
Region III.

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